GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

PUBLIC SERVICES COMMISSION

| IN RE: | |
|------------------------------------------------------|------------------------------|
| |) PSC DOCKET NO. 578 |
| Rate Investigation - OF INNOVATIVE TELEPHONE COMPANY |) ORDER NUMBER: 60/2008) |
| OR | DER |

WHEREAS, on August 21, 2007, the Virgin Islands Public Services Commission ("PSC" or "Commission") met in regular session at the PSC Offices in Barbel Plaza, St. Thomas; and

WHEREAS, pursuant to Title 30, section 20¹, the Commission has the authority and the responsibility to investigate the rates and services of any public utility under its jurisdiction; and

WHEREAS, the Virgin Islands Telephone Company (hereinafter "VITELCO") is a public utility subject to the jurisdiction of the Commission; and

WHEREAS, it has been more than five years since the completion of the last rate investigation of VITELCO; and

WHEREAS, VITELCO remains under the control of a trustee appointed by the Bankruptcy Court due to the pending bankruptcy of the parent entities of VITELCO; and

¹ Section 20 of Title 30 provides:

⁽a) Upon its own initiative or upon reasonable complaint made against any public utility that any of the rates, tolls, charges, or schedules, or services, or time and conditions of payment, or any joint rate or rates, schedules, or services, are in any respect unreasonable or unjustly discriminatory, or any service in connection therewith, is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, or any billing for service inaccurate or erroneous the Commission may, in its discretion, proceed, with or without notice, to make such investigation as it may deem necessary or convenient. But no order affecting said rates, tolls, charges, schedules, regulations, or act complained of shall be entered by the Commission without a formal hearing.

⁽b) Commencing July 30, 2001, the Commission shall conduct rate investigations of all regulated utilities every five years and hold formal hearings as required under subsection (a) of this section.

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WHEREAS, the Trustee is presently under court order to complete the sale of VITELCO by December 19, 2008; and

WHEREAS, the Trustee has requested that the Commission commence the rate investigation in an expeditious manner to facilitate the sale of VITELCO; and

WHEREAS, the proposed purchaser of VITELCO must be brought back to the Commission for approval pursuant to Section 43a of Title 30; and

WHEREAS, the Commission voted unanimously to begin a formal rate investigation pursuant to Section 20 of Title 30; and

WHEREAS, the Commission voted unanimously to set a schedule to meet the requirements and deadlines set by the bankruptcy court; and

WHEREAS, the Commission after deliberation and review, and upon the recommendation of its staff, appointed Judge Thomas K. Moore as Hearing Examiner to preside over the rate investigation;

NOW THEREFORE, it is hereby ORDERED that:

- Docket 578 is opened to commence a formal rate investigation of VITELCO; and
- 2. The Hon. Thomas K. Moore is appointed as the hearing examiner in this Docket.

Dated: 09/02/08

FOR THE COMMISSION:

JOSEPH B. BOSCHULTE

Chair